



ADDENDUM TO FINANCIAL ADMINISTRATIVE PROCEDURES MANUAL FOR TDH CONTRACTORS

IN-KIND CONTRIBUTIONS MINIMUM DOCUMENTATION REQUIREMENTS

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ADDENDUM TO FINANCIAL ADMINISTRATIVE PROCEDURES MANUAL for TDH CONTRACTOR'S

IN-KIND CONTRIBUTIONS MINIMUM DOCUMENTATION REQUIREMENTS

In-Kind contributions must meet the following criteria to be acceptable as match.

1. The contribution must be **necessary** to accomplish the scope of work as described in the contract.
2. The contribution must meet all the requirements of **allowable costs per UGMS**.
3. The contribution must be **adequately documented**. Documentation should include:
 - a. a description of the goods or services contributed.
 - b. the purpose of the goods or services as related to contract performance.
 - c. the basis for determining value and supporting calculations and documentation.
 - d. time sheets for volunteer personnel services.
 - e. **any additional documentation necessary to authenticate the transaction.**
4. The value of In-Kind contributions **must be recorded in the contractor's general ledger under a unique set of accounts (i.e- a separate and distinct cost center)** and reported to TDH under the appropriate cost category on the Financial Status Report (FSR) Form 269a.

In-Kind contributions will be subjected to the same financial review procedures as cash expenditures and must be supported with appropriate documentation. To the extent feasible, documentation for In-Kind contributions should be supported by the same methods used by the agency to support all other costs.

In valuing In-Kind contributions, the amount claimed will be considered reasonable to the extent that it is consistent with the value placed on similar work or services performed within the agency. In cases where the type of service provided is not found within the agency, the amount claimed will be considered reasonable to the extent that it is comparable to that paid for similar services in the labor market in which the agency competes for the service involved. The service must typically be provided at a cost to the public and/or be a requirement under the provisions of the grant award. For example, ordinarily there is no cost associated with public service announcements, newspaper articles, talk shows; therefore, there is no cost basis for claiming an In-kind contribution. Surveys providing **verifiable** data representative of the services involved will be an acceptable basis for evaluating reasonableness of costs claimed as In-Kind contributions.

Listed below are general guidelines for backup documentation to support the most common types of In-Kind contributions. Each agency must determine the backup documentation required for other types of In-Kind contributions based on the minimum documentation requirements listed above.

SPEAKERS, PROFESSIONAL SERVICES

To adequately document the contribution of a speaker or other professional's time, a document should be used that is very similar to an invoice (i.e., - a pro-forma invoice) on which, at minimum, the following information is provided.

1. Name, address, phone number, and occupation of the person.
2. The date and actual time (i.e., - 7:00 to 9:00 p.m. - not just number of hours) that the services were provided.
3. The name (i.e., - John F. Kennedy High School) and address of the site where the service was provided.
4. The specific type of service provided (i.e., - Delivered speech on A Specific Topic of Speech).
5. The rate of pay for the service. (Note - The rate of pay should be based on the service provided - not the individual's rate of pay in his/her profession.)
6. A signature and date line for the speaker or professional attesting to the validity and accuracy of the invoice.

In addition to the above, documentation should be on file to justify the basis of the rate of pay (i.e., - how the fair market value for the service was arrived at) being charged to the contract for the speaker, or other professional services.

Note - Title this form In-Kind Services, Volunteer Services, or some other descriptive phrase that will ensure that this pro-forma invoice can never be confused for an actual vendor invoice.

VOLUNTEER WORKERS

A time sheet should be used to adequately document the volunteers time contributed to contract related activities. At minimum, the time sheet should provide the following information.

1. Name, address, and phone number of the person.
2. The date and actual time (i.e., - 7:00 to 9:00 P.M. - not just number of hours) that the volunteer worked.
3. The job site worked at.

4. The specific type of service provided (i.e., - secretarial services, set up tables and chairs for workshop, etc.). or job description on file.
5. The rate of pay for the service. (Note - The rate of pay should be based on the service provided - not the individual's rate of pay at his/her regular job.)
6. A signature and date line for the volunteer attesting to the validity and accuracy of the time sheet.

In addition to the above, documentation should be on file to justify the basis of the volunteer's rate of pay (i.e., - surveys providing pay rates for similar work in the competing labor market) and a job description identifying responsibilities/essential functions of the volunteer position.

Note - Volunteers who work multiple times during the month can record all of the time donated on one time sheet rather than filling out a separate time sheet for each occasion worked, **but each occasion worked must be a separate line item on the timesheet.**

Note - Title this form In-Kind Time Sheet, Volunteer Time Sheet, or some other descriptive phrase that will ensure that this pro-forma time sheet can never be confused for a time sheet used for payroll purposes.

MILEAGE REIMBURSEMENT FOR VOLUNTEER SERVICES

A mileage log should be used to adequately document the contribution of mileage incurred by the volunteer to provide donated goods or services on which, at minimum, the following information is provided.

1. Name, address, and phone number of the person.
2. The date that the mileage was contributed.
3. Description of origination/destination points. Example:

From: Home	To: JFK High School
Address	Address
4. The number of miles driven.
5. The specific purpose of the trip (i.e., - don't just put Abstinence).
6. The Mileage Reimbursement Rate
7. A signature and date line for the person attesting to the validity and accuracy of the mileage log.

In addition to the above, documentation should be on file to justify the basis of the mileage reimbursement rate that is being charged to the contract for the volunteer's mileage.

Note - Title this form In-Kind Mileage, Volunteer Mileage, or some other descriptive phrase that will ensure that this pro-forma mileage log can never be confused for an actual mileage log that could be submitted for cash reimbursement.

DONATION OF GOODS, EQUIPMENT, OR FURNITURE

To adequately document the contribution of goods, furniture, or equipment (i.e., - **The actual donation of furniture or equipment where the title to the property changes hands as opposed to the use of furniture or equipment**), a document should be used that is very similar to an invoice (i.e., - a pro-forma invoice) on which, at minimum, the following information is provided.

1. Name, address, and phone number of the person or entity (i.e., - XYZ Office Supply, Public Library, etc.) that is making the contribution.

Note - These must be third party donations. A contractor (or its subcontractor) cannot donate goods, equipment, or furniture to itself.

- a) The contribution of goods (i.e., - supplies, stamps, etc.) by a contractor would be a ACashA contribution, not an In-Kind contribution.
- b) The contractor is allowed to charge a AUse Fee≡ for the use of its own furniture and equipment but only as prescribed by federal/state regulations.

2. The date of the contribution.

3. A **detailed** description of the contribution (i.e., - do not just put Office Supplies or Equipment and an amount). Describe each type of item being contributed (Office Max Copy Paper, Parker F-6000 Ball Point Pens, etc.) and list as a separate line item on the invoice with the number of units, the price per unit and the extended price for the item. Likewise, donations of equipment should describe the make, model, serial number, etc. for each piece of equipment with the price per unit and extended price for the equipment.

- A. The APrice per Unit for donations of equipment, furniture, etc. should be the Fair Market Value (FMV) of the item on the date of the contribution. Therefore, if the item was not new when donated, the item's age, condition, useful life, etc. are contributing factors in determining the FMV of the item and must be documented.

- B. The best backup documentation to substantiate the APrice Per Unit for the donations of goods (i.e., - supplies, stamps, etc.) would be the invoice or cash register receipt that was given to the person or entity making the donation when they originally purchased the goods, less any depreciation. If this is not available, then other sources (i.e., - an Office Depot catalog) could be used as the basis for valuing the donated goods.
- 4. A signature and date line for (1) the person making the contribution or (2) the representative of the entity making the contribution attesting to the validity and accuracy of the contributed items.

In addition to the above, documentation should be on file to justify the cost basis of each item (i.e., - how the fair market value for the item was arrived at) that is being charged to the contract. For example, when determining the value of the contributed item, consideration should be given to such factors as prior depreciation of the donated item, whether the item is new, used, or damaged, and the overall condition of the item.

Note - Title this form In-Kind Goods and/or Equipment, Donated Goods and/or Equipment, or some other descriptive phrase that will ensure that this pro-forma invoice can never be confused for an actual vendor invoice.

IN-KIND CONTRIBUTION FOR THE USE OF
A BUILDING AND/OR OFFICE SPACE
(IN-KIND LEASE/RENT)

To adequately document the contribution for the use of an entire building or partial space within a building, a document should be used that is very similar to a lease agreement (i.e., - a pro-forma lease) on which, at minimum, the following information is provided.

- 1. Name, address, and phone number of the person or entity that is making the contribution.

Note - These must be third party donations. A contractor (or its subcontractors) cannot charge In-Kind rent on a building or office space that it owns. However, the contractor (or subcontractor) is allowed to charge

- a Use Fee for the building or office space that it owns but only as prescribed by federal/state regulations.
- 2. The specific period that the lease will cover. (Note - The ending date of the lease should coincide with the ending date of your contract with TDH.
- 3. The price for the full term of the lease and/or the hourly, weekly, or monthly rate being charged for the use of the building or office space.
- 4. A **detailed** description of the building or office space contributed. The detailed description should include, at minimum, the following:
 - a. The square footage of the building or office space provided.
 - b. The time when the building or space is being used. In other words, is the space available for your exclusive use 24 hours a day 7 day a week or do you have access to it only on Friday nights from 7:00 to 9:00 P.M.
 - c. Any other pertinent information that would have a bearing on establishing the fair market price of the building or office space.
- 5. A signature and date line for the person (if an individual) or authorized representative (if an entity) making the donation of the In-Kind attesting to the validity and accuracy of the contribution.

In addition to the above, documentation should be on file to justify the monetary basis of the pro-forma lease agreement (i.e., - how the fair market value for the rent of the building or space was arrived at). Justification of the monetary basis should be something that can be objectively documented such as, but not limited to, the following:

- a. A copy of a recent lease for the same building or space that is being donated.
- b. Quotes from Realtors for buildings or space in the same area and in relatively the same condition as the building or space that is being donated.
- c. An independent Realtor's assessment or report as to the market value of the building or space being donated.

Note - Title this form In-Kind Building or Office Space Rent, or Donated Building or Office Space Rent, or some other descriptive phrase that will ensure that this pro-forma lease can never be confused for an actual lease requiring payment.

IN-KIND CONTRIBUTION FOR THE USE OF
OFFICE FURNITURE OR EQUIPMENT
(IN-KIND RENTAL AGREEMENT)

To adequately document the contribution of the use (rent) of furniture or equipment, a document should be used that is very similar to a rental agreement (i.e., - a pro-forma rental agreement) on which, at minimum, the following information is provided.

1. Name, address, and phone number of the person or entity that is making the contribution.

Note - These must be third party donations. A contractor (or its subcontractor) cannot charge In-Kind rent on furniture or equipment that it owns. However, the contractor (or its subcontractor) is allowed to charge a Use Fee for the furniture or equipment that it owns but only as prescribed by federal/state regulations.

2. The specific period that the rental agreement will cover. (Note - The ending date of the rental agreement should coincide with the ending date of your contract with TDH.)
3. A description of each specific piece of furniture or equipment including its date of purchase (if available), purchase price (if available), age, condition, make, model, serial number, etc.
4. The rental rate for each piece of furniture or equipment.
5. A signature and date line for (1) the person donating the furniture or equipment or (2) the representative of the entity donating the furniture or equipment.

In addition to the above, documentation should be on file to justify the monetary basis of the pro-forma rental agreement (i.e., - how the fair market value for the furniture and equipment was arrived at). Justification of the monetary basis (rental rate) should be something that can be objectively documented such as, but not limited to, the following:

- a. A copy of a recent rental agreement that details the established rental rate for the furniture or equipment being donated.
- b. Quotes from Rental stores for the monthly rental rates of furniture or equipment of the same type and condition.
- c. Rental rate quote(s) from independent companies (i.e., Xerox, IBM, Pitney Bowes, etc.) that are in the business of renting and/or leasing office furniture or equipment.

Note - Title this form In-Kind Rent/Use of Furniture or Equipment, Donated Rent/Use of Furniture or Equipment, or some other descriptive phrase that will ensure that this pro-forma rental agreement can never be confused for an actual rental agreement requiring payment.